

CITY OF TEMPLETON, IOWA

URBAN RENEWAL PLAN AMENDMENT
TEMPLETON URBAN RENEWAL AREA

August, 2019

The Urban Renewal Plan (the “Plan”) for the Templeton Urban Renewal Area (the “Urban Renewal Area”) is being amended for the purpose of identifying a new urban renewal project to be undertaken in the Urban Renewal Area.

1) Identification of Projects. By virtue of this amendment, the list of authorized urban renewal projects in the Plan is hereby amended to include the following project description:

Name of Project: Public Works Building Project

Name of Urban Renewal Area: Templeton Urban Renewal Area

Date of Council Approval of Project: August 19, 2019

Description of Project and Project Site: The City will undertake the acquisition, furnishing and equipping of a new public works building (the “Public Works Building Project”) on certain real property situated in the Urban Renewal Area and bearing Carroll County Property Tax Parcel Identification Number 14-16-151-018 (the “Public Works Building Property”). The completed Public Works Building Project will have a direct, positive impact on increased and improved commerce and development in the Urban Renewal Area through the provision of enhanced public works facilities.

Description of Public Infrastructure: It is not anticipated that the City will undertake additional public infrastructure improvements in connection with Public Works Building Project.

Description of Properties to be Acquired in Connection with the Project: The City will acquire the Public Works Building Property and easement territory and rights-of-way as are necessary to successfully undertake the Public Works Building Project.

Description of Use of TIF: It is anticipated that the City will pay for the Public Works Building Project with borrowed funds and/or the proceeds of an internal advance of City funds on-hand. In any case, a portion of the City’s obligations incurred will be repaid with incremental property tax revenues derived from the Urban Renewal Area. It is anticipated that the City’s use of incremental property tax revenues for the Public Works Building Project will not exceed \$330,000.

Analysis of Use of TIF: In accordance with the requirement of Section 403.5(2)(b)(1) of the Code of Iowa, the City has analyzed its proposed use of incremental property tax revenues for the funding of the Public Works Building Project and

alternative development and funding options for the Public Works Building Project. The results of that analysis are summarized as follows:

A) Alternate Development Options: The City Council has determined that a need exists for the provision of new and improved public works facilities in the Urban Renewal Area. The City's ability to fulfill its role in the maintenance of public infrastructure and public property is diminished by inadequate, outdated and undersized administration and facilities. There is no conceivable way for the City to outsource or privatize services provided by the public works department, and the use of the Public Works Building Property as the site for the Public Works Building Project is an optimal use for this land. Promoting other types of development on the Public Works Building Property will not meet the public need being addressed by the Public Works Building Project.

B) Alternate Financing Options:

* Local Option Sales and Services Tax Revenues: Local Option Sales and Services Tax Revenues are currently unavailable to assist with the Public Works Building Project because such Revenues have been allocated to other projects in the City. If local option sales and services tax revenues become available in the future, the City will consider the use of such revenues to pay a portion of the costs of the Public Works Building Project.

* General Fund: The City is at its \$8.10 per thousand levy limit for the General Fund, and the annual proceeds from this levy are fully committed to maintain the operational integrity of the City. The City cannot access its General Fund reserves to aid in funding the Public Works Building Project without risking unsound fiscal practice.

* Capital Improvements Levy: The City does not have a Capital Improvements Levy available, and the imposition of such additional levy would require a successful referendum, which is not feasible at this time.

* Debt Service Levy: The City intends to issue a general obligation note (the "Note") to pay the costs of the Public Works Building Project. The City may use incremental property tax revenues derived from the Urban Renewal Area to pay a portion of the principal of and interest on the Note. The use of incremental property tax revenues would lessen the burden on individual tax payers that will result from a spike in the debt service levy rate and will shift that burden onto valuation increases resulting from the City's successful economic development initiatives which are improved by the provision of enhanced public works facilities.

* Utility Surpluses: The City does not have identified surpluses in its sewer and water utility funds that could aid in the funding of the Public Works Building Project.

2) Required Financial Information. The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$1,284,310</u>
Outstanding general obligation debt of the City:	<u>\$</u>
Proposed debt to be incurred under the August, 2019 Amendment*:	<u>\$ 330,000</u>

*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.